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SUPREME COURT, U. S.
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CHARLES ELMORE CROPLEY

IN THE

Supreme Court of the United States

OCTOBER TERM, 1948.

No. 596

PHILCO CORPORATION,

Petitioner,

vs.

F. & B. MFG. CO.,

Respondent.

PETITION FOR WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

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PETITION FOR WRIT OF CERTIORARI TO THE COURT OF APPEALS FOR THE SEVENTH CIRCUIT.

To the Honorable, the Chief Justice of the United States and the Associate Justices of the Supreme Court of the United States:

Your petitioner, Philco Corporation, plaintiff in the District Court, appellant below, respectfully prays that a writ of certiorari issue to the United States Court of Appeals for the Seventh Circuit to review a judgment of that Court entered on December 1, 1948.

The judgment here sought to be reviewed affirmed a judgment of the United States District Court for the Northern District of Illinois (Judge Igoe) in favor of the respondent. The opinion of the Court of Appeals is reported in 170 Fed. (2d) 958. It appears at page 364 of the record, and as appendix "C" to this petition.

I.

Statement.

The proceeding in the District Court was a civil action to enjoin the use of a colorable imitation of a federally registered trade-mark and to enjoin unfair competition. The action was brought by Philco Corporation, a Pennsylvania corporation, the owner of the registered trade-mark PHILCO, used on a large variety of products, including automobile radio repair parts, against F. & B. Mfg. Co., an Illinois corporation, to enjoin the use of the word FILKO on automobile ignition repair parts.

The registered trade-mark PHILCO is a coined word derived from petitioner's one time corporate name, Philadelphia Storage Battery Co. It is registered for electrical products, such as condensers, resistors, transformers, coils, switches and fuses. (Rec. 356-358.)

The mark FILKO used by respondent is the last name of one of the founders of respondent's business. It is unregistered.

Petitioner's use and registration of the trade-mark PHILCO is long prior to respondent's adoption and use of the mark FILKO.

The similarity of the products of the parties involved in the action are shown by the illustrations on the following page[1]:

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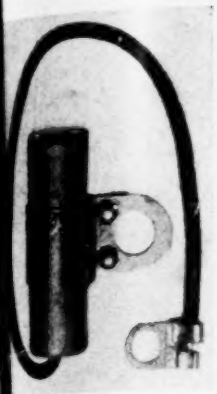
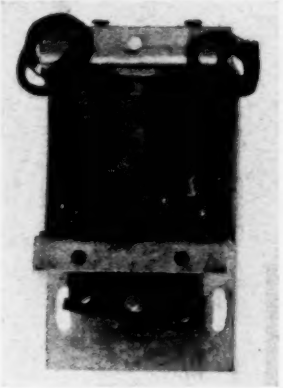
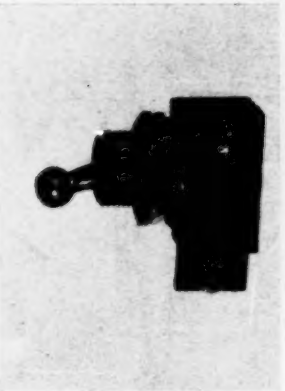
1. Other products involved in the action are shown in the illustrations which appear as Appendices "A" and "B" to this petition. These products, Petitioner's Exhibits 2-33 (Petitioner's products) and Petitioner's Exhibits 35-51 (Respondent's products) have been forwarded, for inspection, to the Marshal of this Court



(Petitioner's Ex. #2)
CONDENSER

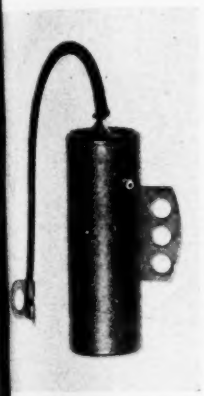


(Petitioner's Ex. #12)
RELAY

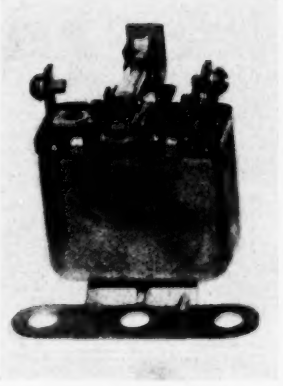


(Petitioner's Ex. #11)
SWITCH

PETITIONER'S PRODUCTS



(Petitioner's Ex. #35)
CONDENSER



(Petitioner's Ex. #43)
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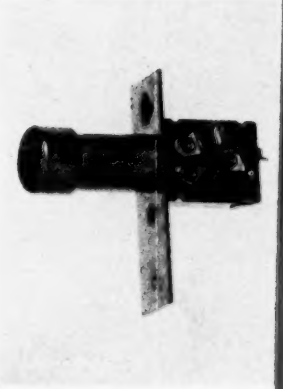


(Petitioner's Ex. #36)
SWITCH

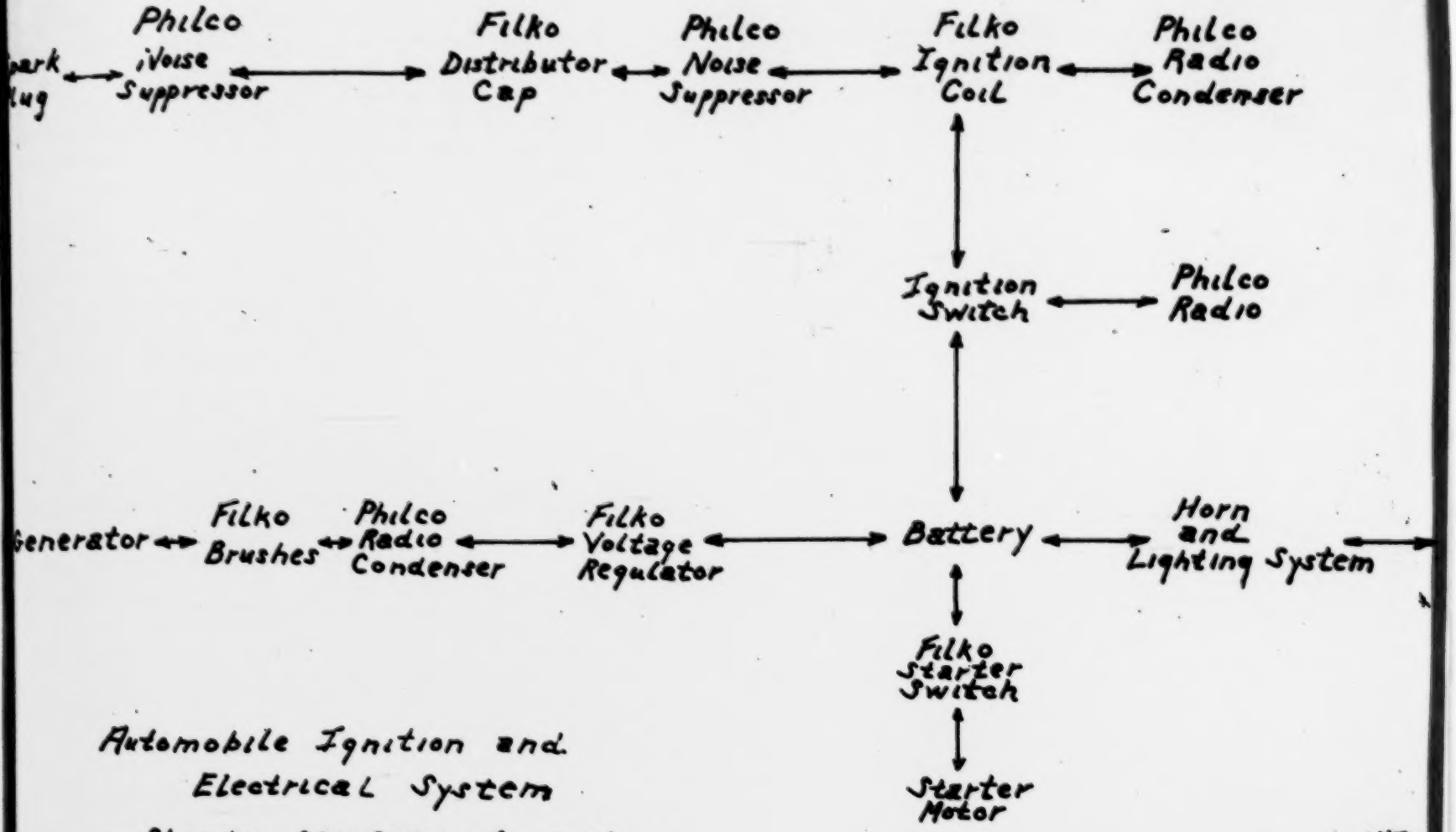
RESPONDENT'S PRODUCTS

Some of the parts to which the petitioner applies the trade-mark PHILCO and the respondent applies the mark FILKO are identical. Such products are:

Condensers	Wrenches
Condenser Testers	Lock Washers
Coils	Screws
Switches	Screw Drivers

The respondent makes a voltage regulator which it sells under the name FILKO and the petitioner makes a suppressor which it sells under the name PHILCO that fits into the voltage regulator made by the respondent. The respondent sells an ignition distributor cap under the name FILKO and petitioner makes a suppressor, which it sells under the name PHILCO, that fits into the distributor cap made by the respondent. Petitioner's suppressor which it sells under the name PHILCO, fits into respondent's ignition coil which it sells under the name FILKO, and is adapted for this purpose. Thus we have three examples of PHILCO parts which fit into FILKO parts. (Rec. 272.)

Indeed, some of the products of the parties are interchangeable in the ignition system of an automobile, as shown by the following illustration (Rec. 326):



Plaintiffs Exhibit
Defendants Exhibit
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In the District Court of the United States, Northern District of Illinois, Eastern Division
No.
Thomas M. Ryan - Official Court Reporter

(Petitioner's Exhibit 82)

Despite the similarity of the goods and despite the fact that orally the names PHILCO and FILKO are the same, the District Court held that no confusion is likely to result from their concurrent use, and that the mark FILKO is not a colorable imitation, or an infringement, of petitioner's registered trade-mark PHILCO. The Court of Appeals affirmed.

The decision of the Court of Appeals, affirming the District Court is so manifestly wrong in that it is in direct contravention of the United States trade-mark statutes of 1905 and 1946, the International Conventions, the law of the State of Illinois, and the federal decisions in other circuits that the petitioner files this petition for certiorari.

II.

Jurisdiction.

(a) The jurisdiction of this Court is based upon Section 240 of the Judicial Code (28 U. S. C. A. Sec. 347); and,

(b) The issue involves the construction of the Remedial Section (15 U. S. C. A. 1114) of the federal trade-mark act of July 5, 1946 (15 U. S. C. A. 1051-1127).

This is the first time this new trade-mark act has been before this Court for construction.

III.

The Questions Presented.

(1) Is respondent's trade-mark FILKO used on automotive ignition repair parts, wrenches, lock washers, screws, and screw drivers, an infringement of petitioner's federally registered trade-mark PHILCO used on repair parts for automobile radios, wrenches, lock washers, screws and screw drivers?

(2) Are the goods of the respondent, such as condensers, condenser testers, coils, switches, wrenches, lock washers, screws and screw drivers merchandise of "substantially the same descriptive properties" under Sect. 16, Trade-Mark Act of 1905,* as the goods set out in petitioner's Registration No. 400,943 (Petitioner's Ex. 61, Rec. 356), namely, condensers, resistors, transformers, coils, switches, fuses?

(3) Is the mark FILKO, when applied by respondent to its goods, "likely to cause confusion or mistake, or to deceive purchasers as to the source of origin of such goods," (Sec. 32, Trade-Mark Act of 1946)—that is, are respondent's goods likely to be assumed to come from petitioner, which sells similar goods under the trade-mark PHILCO?

IV.

Reasons for the Allowance of the Writ.

The decision of the Court of Appeals raises questions of public importance in the following respects:

(1) The decision of the Court of Appeals denied to petitioner the remedies afforded to the owner of a registered trade-mark from infringement by colorable imitation, under Sec. 32 of the Federal Trade-Mark Act of 1946 (15 U. S. C. A. 1114) which provides relief against the use of an infringing mark which is calculated to cause confusion or mistake or to deceive purchasers as to the source of origin of the infringer's goods.

It is of vital importance to the owner of a trade-mark and to the public to prevent the use of an infringing mark which will cause confusion, mistake and deceive purchasers as to the source of goods upon which the infringing mark is used.

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* Note. This is the act in force when the action was begun.

(2) The decision of the Court of Appeals, although correctly stating the rule of law that "a distinctive mark or name will be broadly protected as a trade-mark," failed to give petitioner's distinctive federally registered trade-mark such protection.

It is of prime concern that the owner of a trade-mark, which is often the owner's most valuable asset, should have broad protection in order to prevent the whittling away and dilution of the trade-mark, and to prevent fraud and deception of the public.

(3) The decision of the Court of Appeals sanctions the misappropriation of petitioner's distinctive trade-mark. This court held in *Schechter* v. *U. S.*, 295 U. S. 495 at page 531, that misappropriation of a trade-mark as well as misrepresentation resulting from the use of an imitation is unfair competition and actionable. Both are present here.

(4) The decision of the Court of Appeals holds that there is no infringement of a registered trade-mark, and that there is no unfair competition unless the parties are in actual competition in the sale of identical goods. Such a holding is in contravention of the law of the State of Illinois, wherein this action arose. For example, in *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe, Inc.*, 317 Ill. App. 451, the defendant was enjoined from using the name LADY ESTHER as a trade-mark for women's underwear in an action by the owner of that trade-mark for cosmetics.

(5) The decision of the Court of Appeals is in conflict with the General Inter-American Convention for trade-mark and commercial protection (46 Stat. 2907), which provides that the simulation of trade-marks is an act of unfair competition (Ch. 4, Art. XXI, Robert's New Trade-Mark Manual, page 319).

(6) The Court of Appeals held that respondent had the right to use the name FILKO as a trade-mark, notwith-

standing petitioner's use and registration of its trade-mark PHILCO, because it is the surname of one of the respondent's officers.

The Court of Appeals in so holding, read into the Trade-Mark Act of 1946 a provision that is not there. Sec. 32 of the Trade-Mark Act prohibits the reproduction, counterfeit, copy or colorable imitation of a registered trade-mark, and has no provision therein exempting the use of a reproduction, counterfeit, copy or a colorable imitation of a registered mark if it is the name of a person connected with the infringer.

It is of prime concern to the owners of registered trade-marks to be protected from all infringing uses, even though the infringing mark is the name of someone connected with the infringer. Such an infringement is just as damaging to the registrant, and is just as misleading to the public, as though the infringing mark were a coined mark.

(7) The decision of the Court of Appeals relied upon the cases of *Brown Chemical Company* v. *Meyer*, 139 U. S. 540, decided in 1891; *Singer* v. *June Mfg. Co.*, 163 U. S. 169, decided in 1896; and *Howe Scale Co.* v. *Wyckoff*, 198 U. S. 118, decided in 1905. These cases were decided before the enactment of the Trade-Mark Statutes of 1905 and 1946, neither of which has any provision condoning the use of a personal name as a trade-mark which is a colorable imitation of a federally registered trade-mark.

The above cases were specifically overruled by this court in *Waterman* v. *Modern Pen Co.*, 235 U. S. 88, decided in 1914.

(8) The decision of the Court of Appeals of the Seventh Circuit is in conflict with the decisions of other circuits, wherein infringing marks were enjoined which were used

on goods far more dissimilar than are the goods of the parties to this action.

Some of these cases are:

Aunt Jemima Mills Co. v. *Rigney & Co.*, 247 Fed. 407 (C. C. A. 2).

The plaintiff sold pancake flour under the trade-mark AUNT JEMIMA. The defendant was enjoined from using this mark on syrup.

Yale Electric Corporation v. *Robertson*, 26 Fed. (2d) 972 (C. C. A. 2).

The use of the word YALE as a trade-mark for flash-lights was held to be an infringement of this mark used on hardware, especially locks and keys.

Waterman v. *Gordon*, 72 Fed. (2d) 272 (C. C. A. 2).

The use of the name WATERMAN on razor blades was held to be an infringement of the name WATERMAN for fountain pens.

Hanson, et al. v. *Triangle Publications, Inc.*, 163 Fed. (2d) 74 (C. C. A. 8).

Plaintiff published a magazine under the title SEVENTEEN. The defendant was enjoined from using the word SEVENTEEN as a trade-mark for girls' dresses.

Triangle Publications, Inc. v. *Rohrlich*, 167 Fed. (2d) 969 (C. C. A. 2).

The use of the trade-mark SEVENTEEN on women's girdles was enjoined in an action by the owner of this trade-mark for the title of a magazine.

Vogue Co. v. *Thompson-Hudson Co., et al.*, 300 Fed. 509 (C. C. A. 6).

The use of the name VOGUE on women's hats was held to infringe the use of the name VOGUE as a title for a magazine.

Conclusion.

The importance of review by this Court of the decision of the Court of Appeals for the Seventh Circuit cannot be overestimated; since it is of utmost importance that this Court settle the law as to whether, in a statutory action for trade-mark infringement and in an unfair competition action, the goods of the parties must be identical and in direct competition to obtain relief against infringement.

It is of the utmost importance that this Court review the decision of the lower court which held, in effect, that the remedial section of the trade-mark act of 1946, prohibiting the use of a colorable imitation of a registered trade-mark, is not applicable when the infringing mark is the name of an individual connected with the infringer.

It is also of the utmost importance that this Court construe the remedial section of the new trade-mark act as to the protection that should be given to a registered trade-mark when it is obvious and was proved that the infringing mark will result in confusion and mistake and deceive purchasers as to the source of origin of the infringer's goods.

Unless the above questions are clarified by this Court, the law will continue to be in a state of confusion because of the conflict of this decision with the decisions in other circuits.

WHEREFORE, YOUR PETITIONER PRAYS THAT a Writ of Certiorari be issued out of and under the seal of this Court, directed to the United States Court of Appeals for the Seventh Circuit, commanding the said Court to certify

and send to this Court, on a day to be designated, a full transcript of the record and all proceedings of said Court in the case numbered and entitled on its docket Number 9474, *Philco Corporation, Plaintiff-Appellant,* v. *F. & B. Mfg. Co., Defendant-Appellee,* to the end that this case may be reviewed and determined by this Court; that the judgment of said Court of Appeals for the Seventh Circuit be reversed; and that petitioner be granted such other and further relief as to this Honorable Court may seem meet and proper.

Respectfully submitted,

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BRIEF IN SUPPORT OF PETITION FOR WRIT OF CERTIORARI.

I.

THE OPINION BELOW.

The United States Court of Appeals for the Seventh Circuit entered judgment on December 1, 1948. The opinion is reported in 170 Fed. (2nd) 958 and appears as an appendix to this brief.

There was no opinion by the District Court.

II.

JURISDICTION.

The petition sets forth at page 6 a statement of the grounds upon which the jurisdiction of this Court is invoked.

III.

STATEMENT OF THE CASE.

The petition sets forth beginning at page 6 the questions presented.

IV.

SPECIFICATION OF ERRORS.

The petition beginning at page 7 states the errors relied upon (Reasons For The Allowance of The Writ) which will be discussed in this brief.

V.

ARGUMENT.

1. The Court of Appeals Denied to Petitioner the Statutory Remedy for Infringement of Its Registered Trade-Mark by Colorable Imitation.

The Court of Appeals in its opinion said: "The Trade-Mark Act of 1946, Title 15, Section 1051 U. S. C. A. is determinative of the rights of plaintiff." Notwithstanding this holding, the Court of Appeals failed to follow the remedial Section of this act, which reads as follows:

> Sec. 32 (1) "Any person who shall, in commerce, (a) use, without the consent of the registrant, any reproduction, counterfeit, copy, or colorable imitation of any registered mark in connection with the sale, offering for sale, or advertising of any goods or services on or in connection with which such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods * * * shall be liable to a civil action by the registrant for any or all of the remedies hereinafter provided * * *."

The Court of Appeals held that the respondent, F. & B. Mfg. Co., has the right to use the name FILKO as a trade-mark for its products because John Filko is an executive officer of the respondent corporation. The court, in so holding, read into the statute a provision that is not there. The Trade-Mark Act of 1946 does not justify the use of a colorable imitation (and surely FILKO is a colorable imitation of PHILCO) of a registered trade-mark if it happens to be the surname of an individual connected with the infringer. If it had been the intent of Congress to permit

this exception, the Act would have so provided; but there is no such provision in the Act, therefore, an infringing mark which is a personal name should be enjoined just as any other infringing mark.

The District Court and the Court of Appeals should have taken judicial notice of the fact that any "FILKO" electrical device indicates that it is put out by the PHILCO CORPORATION, since the name PHILCO is so widely known to the American public in association with electrical products. Moreover, the petitioner proved by competent witnesses that FILKO products would be attributed to the PHILCO CORPORATION.[1]

2. Petitioner Proved the Likelihood of Confusion Between Philco Products and Filko Products.

Dealers and advertising men were called on behalf of the petitioner who testified that there is likelihood of confusion between petitioner's PHILCO products and respondent's FILKO products. Professor Norman C. Meier, an eminent psychologist of the University of Iowa, testified as to the confusing similarity of the marks PHILCO and FILKO after he had run tests in his classroom.

Typical of this testimony is that of L. W. Stratton, Merchandise Manager of Wieboldt Stores, Inc. of Chicago, who testified as to the likelihood of confusion between PHILCO and FILKO parts as follows (Rec. 111-112):

> "Q. To whom would you attribute Philco automotive parts?
>
> "A. I would immediately attribute that to Philco Company of Philadelphia.
>
> "Q. And, basing your answer on your experience, to whom would you say your customers would attribute Philco automotive parts?
>
> "A. The same.

1. (Rec. 61-82, 89-114.)

"Q. Now, suppose the name were spelled F-i-l-k-o; to whom would you attribute such products?

"A. I would be immediately confused.

"Q. And why would you be confused?

"A. Well, the name is so similar, that I would—not being familiar with F-i-l-k-o, I would immediately investigate to find out why F-i-l-k-o.

"Q. Basing your answer on your experience, to whom, in your opinion, would the public attribute F-i-l-k-o automotive products?

"A. I would think they would attribute it to the Philco Company of Philadelphia.

"Q. Do you handle any F-i-l-k-o products?

"A. I don't believe we do.

"Q. And would you carry that line of products?

"A. We might.

"Q. If you did carry that line of products, F-i-l-k-o, and since you carry P-h-i-l-c-o products, do you think there would be any confusion in your store?

"A. Very much so.

"Q. And what sort of confusion do you think you would have?

"A. Both of them on the same counter, packaged the way I saw the first F-i-l-k-o item this morning—I saw it here; there it is—when I first glanced at it, I thought it was a Philco item. That's absolutely the truth.

"Q. When you say Philco item now, how do you spell it?

"A. P-h-i-l-c-o.

"Q. And why did you think that was a Philco item?

"A. Just glancing at it, a black background and white lettering on the black background, reversed type; if I had two items on the counter, we would certainly feel immediately we were confusing the public. We would have to take one or the other off."

The Court of Appeals in its opinion made no comment on this testimony, and failed to give consideration and proper weight to it since it definitely established the like-

lihood of confusion as to the source of origin of respondent's products.

In addition to proving likelihood of confusion, the petitioner proved passing off of FILKO products on written orders for PHILCO products.[1] In no instance did a dealer state to the customer that the product being sold was a FILKO product and not a PHILCO product, which indicates that the dealers do not distinguish visually between the names PHILCO and FILKO. No one can distinguish orally between these names. The Answer admits that orally they are the same.

3. The Court of Appeals Should Have Applied the Law of Illinois as Laid Down in the Lady Esther Case to the Unfair Competition Phase of This Action.

The opinion of the Court of Appeals holds that a trade-mark will be protected only within the range of use on similar goods. Petitioner's position is that the goods involved in this action are similar, since they are parts connected with the electrical systems of an automobile. They all go under the hood or on the instrument board of an automobile, and even though petitioner's products are used largely for automobile radios and the respondent's are for the ignition system, they are similar goods.

The court took too narrow a view of the protection that should be given to trade-marks; and, moreover, the decision is in conflict with the law of Illinois on the question of unfair competition as established in *Lady Esther, Ltd.* v. *Lady Esther Corset Shoppe, Inc.*, 317 Ill. App. 451, which held that there can be unfair competition even though there is no actual competition. In the *Lady Esther* case, the plaintiff was a manufacturer of cosmetics which it sold under

1. (Rec. 16, 17.)

the trade-mark LADY ESTHER. The defendant used this mark on lingerie. There was no competition between the parties, yet the defendant was enjoined from using plaintiff's trade-mark on the ground that the public was likely to assume that defendant's goods come from the plaintiff. If there is likelihood of the public's assuming that ladies' underwear and cosmetics sold under the same mark come from the same source, surely there is likelihood of the public's assuming that automobile ignition repair parts and automobile radio repair parts, sold under names identical as pronounced, come from the same source.

The manufacture of automobile ignition repair parts would be a logical and natural expansion of petitioner's business under its PHILCO trade-mark.

Judge O'Connor, in the *Lady Esther* case, in holding that there can be unfair competition without actual competition, said:

> "In the instant case we think it clear that the public might be deceived into thinking there was some connection between the defendant and the plaintiff companies. And the good-will of plaintiff, which it had built up at great expense over a period of years, would be whittled away. Courts of equity ought not to be so feeble as to be unable to prevent this."

Under the holding of this Court in *Erie R. R.* v. *Tompkins*, 304 U. S. 64, the Court of Appeals should have followed the Illinois law as established by the *Lady Esther* decision in considering the unfair competition phase of the case.

4. A Man Has the Right to Engage in Any Legitimate Business Which He Chooses, But He Does Not Always Have the Right to Use His Name as a Trade-Mark.

The respondent, in its brief in the Court of Appeals, relied upon the cases of *Brown Chemical Company* v. *Meyer*, 139 U. S. 540 and *Howe Scale Company* v. *Wyckoff, Seamans & Benedict*, 198 U. S. 118, and the Court of Appeals cited these cases in support of its position that the defendant has the right to use the name FILKO as a trade-mark because it is the name of one of defendant's officers. The Court also cited *Singer* v. *June*, 163 U. S. 169.

These are all old cases. The *Brown Chemical Company* case was decided in 1891, the *Singer* case in 1896, and the *Howe Scale* case in 1905. All were decided before the enactment of the trade-mark statutes of 1905 and 1946, neither of which has any provision justifying the use of a personal name as a trade-mark when it is a colorable imitation of a federally registered trade-mark. These cases were specifically overruled by this Court in *Waterman* v. *Modern Pen Co.*, 235 U. S. 88, decided in 1914. In commenting on the contention that a man has the right to use his own name in his own business, Mr. Justice Holmes said (p. 94):

> "In support of this proposition the defendant lays hold of language in *Howe Scale Co.* v. *Wyckoff, Seamans & Benedict*, 198 U. S. 118, 140, and in other books, to the effect that courts will not interfere with the use of a party's own name 'where the only confusion, if any, results from a similarity of the names and not from the manner of the use.' *But, whatever generality of expression there may have been in the earlier cases,* it now is established that when the use of his own name upon his goods by a later competitor will and does lead the public to undertsand that those goods are the product of a concern already established and

> well known under that name, and when the profit of the confusion is known to and, if that be material, is intended by the later man, the law will require him to take reasonable precautions to prevent the mistake." (Emphasis ours.)

The above rule of law was incorporated in the present trade-mark act of July 5, 1946, wherein it prohibits the use of a reproduction, counterfeit, copy or a *colorable imitation* of a registered trade-mark where such use is likely to cause confusion or mistake or to deceive purchasers as to the source of origin of such goods. There is no provision in this act exempting the infringing use of a personal name as a trade-mark.

The above rule of law was incorporated in the General Inter-American Convention for Trade-Mark and Commercial Protection, of which the United States is a member. Chapter 4, Art. 21 defines unfair competition as follows (Robert's *New Trade Mark Manual,* p. 319):

> "(a) Acts calculated directly or indirectly to represent that the goods or business of a manufacturer, industrialist, merchant or agriculturalist are the goods or business of another manufacturer, industrialist, merchant or agriculturist of any of the other Contracting States, whether such representation be made by the appropriation or *simulation of trade marks,* symbols, distinctive names, the imitation of labels, wrappers, containers, commercial names, or other means of identification." (Emphasis ours.)

The Union Convention contains a similar definition of unfair competition. (Robert's *New Trade-Mark Manual,* p. 307.)

There is no provision in either of the above Conventions excepting the infringing use of a personal name as a trade-mark.

In *Bacardi Corporation* v. *Domenech,* 311 U. S. 150

(1940), Mr. Chief Justice Hughes, in discussing the Inter-American Convention, said at page 161:

> "This treaty, on ratification, became a part of our law. No special legislation in the United States was necessary to make it effective."

Not only has this Court held that these Conventions are part of our statutory law, but they were expressly made so by an act of Congress in the Trade-Mark Act of 1946. (Title IX.)

The three cases cited in the opinion of the Court of Appeals were not only reversed by this Court in the *Waterman-Modern Pen* case, but have been reversed by the Trade-Mark Act of 1946, the General Inter-American Convention, and the Union Convention.

Of course, to bring this case within the provisions of the trade-mark act and the Conventions, it must first be conceded that FILKO is a colorable imitation of the registered trade-mark PHILCO, or that FILKO is a simulation of the trade-mark PHILCO, to use the term of the Conventions. Surely FILKO is a colorable imitation of and a simulation of the registered trade-mark PHILCO. Defendant's Answer admits that the pronunciation is the same. (Rec. 9.) If FILKO is not a colorable imitation, or a simulation of PHILCO, then these terms as used in the trade-mark statute and the Conventions are meaningless, and there can be no infringement short of an exact duplication of a trade-mark.

5. The Decision of the Court of Appeals Is in Conflict With the Trade-Mark Statute, the International Conventions, the Law of Illinois, and the Decisions of Other Circuits.

The opinion of the Court of Appeals in this action is not only in contravention of the Trade-Mark Acts of 1905 and 1946, the International Conventions, and the Law of Illinois as established in the *Lady Esther* case, but is in conflict with the decisions in other circuits [1] such as *Waterman* v. *Gordon*, 72 Fed. (2d) 272, wherein the use of the name WATERMAN was enjoined on razor blades. Judge Patterson, of the District Court (8 Fed. Supp. 351), in commenting on the defense that there was no competition between the parties and that the goods were different, said at page 353:

> "The defendant's other point is that both infringement of trade-mark and unfair competition are negatived by the fact that the products involved—fountain pens and razor blades—are not goods in the same class and are not in competition. There was a time when such an argument would have furnished a crushing answer. But more recently it has been recognized that concerns with valuable trade-marks and valuable good will are entitled to protection of a broader sort. When others borrow the trade-mark for articles of another kind, the impression is frequently spread that these articles also are the product of the proprietor of the trade-mark. It is supposed by many that the old concern has gone into a new field. To create that impression is of course the hope and purpose of the newcomer. The result is that by deception he gets an advantage which he has not earned, while the proprietor is put to the hazard of losing his reputation in case the articles or business methods of the

1. Pages 9-11 of the petition.

other damage the value of his trade-mark. It is now the generally (though not universally) recognized rule that a trade-mark used on one article cannot be appropriated by a stranger for use on another kind of article in any case where there is likelihood that the purchasing public will be deceived into believing that the new article is the product of the established proprietor of the trade-mark."

Judge Learned Hand, in affirming the decision of the District Court (72 Fed. (2d) 272), said at p. 273:

> "*It is now well settled in this country that a trade-mark protects the owner against not only its use upon the articles to which he has applied it, but upon such other goods as might naturally be supposed to come from him. Aunt Jemima Mills Co.* v. *Rigney,* 247 F. 407, L. R. A. 1918C, 1039 (C. C. A. 2); *Akron-Overland Co.* v. *Willys-Overland Co.,* 273 F. 674 (C. C. A. 3); *Vogue Co.* v. *Thompson-Hudson Co.,* 300 F. 509 (C. C. A. 6); *Wall* v. *Rolls-Royce,* 4 F. (2d) 333 (C. C. A. 3); *Yale Electric Corporation* v. *Robertson* (C. C. A.); 26 F. (2d) 972; *Duro Co.* v. *Duro Co.,* 27 F. (2d) 339 (C. C. A. 3). There is indeed a limit; the goods on which the supposed infringer puts the mark may be too remote from any that the owner would be likely to make or sell. It would be hard, for example, for the seller of a steam shovel to find ground for complaint in the use of his trade-mark on a lipstick. But no such difficulty arises here; razor blades are sold very generally by others than razor blade makers, and might well be added to the repertory of a pen maker." (Emphasis ours.)

The opinion of the Court of Appeals states that petitioners' products are sold widely to the general public, and that respondent's products are sold to men in industry who desire repair parts for the ignition system in automobiles, and it advertises in trade journals to reach jobbers, garages and service stations. We desire to empha-

size the fact that respondent's products are also sold to the general public by retail dealers who handle both automobile and radio repair parts.[1] The general public purchases both petitioner's and respondent's products from retail dealers to repair the electrical systems of their automobiles. The Court of Appeals either overlooked or just disregarded this part of the record.

In *Yale Electric Corporation* v. *Robertson*, 26 Fed. (2d) 972 (C. C. A. 2d), it was held that the use of the trade-mark YALE on flashlights and batteries infringed the use of this mark for hardware, especially locks and keys.

The Court, in commenting on the fact that a trade-mark should be protected broadly, even outside the owner's field, said at page 974:

> "However, it has of recent years been recognized that a merchant may have a sufficient economic interest in the use of his mark outside the field of his own exploitation to justify interposition by a court. His mark is his authentic seal; by it he vouches for the goods which bear it; it carries his name for good or ill. If another uses it, he borrows the owner's reputation, whose quality no longer lies within his own control. This is an injury, even though the borrower does not tarnish it, or divert any sales by its use; for a reputation, like a face, is the symbol of its possessor and creator, and another can use it only as a mask. And so it has come to be recognized that, unless the borrower's use is so foreign to the owner's as to insure against any identification of the two, it is unlawful. *Aunt Jemima Mills Co.* v. *Rigney*, 247 F. 407 (C. C. A. 2) L. R. A. 1918 C, 1039; *Akron-Overland* v. *Willys-Overland*, 273 F. 674 (C. C. A. 3); *Vogue Co.* v. *Thompson-Hudson Co.*, 300 F. 509 (C. C. A. 6); *Wall* v. *Rolls-Royce*, 4 F. (2d) 333 (C. C. A. 3). *Although it is quite true that the point is still open in the Supreme Court.*" (Emphasis ours.)

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1. (Rec. 114, 115, 117, 125, 128, 132-134, 165.)

Derenberg, on "Trade-Mark Protection and Unfair Trading," in discussing the use of a federally registered trade-mark on related goods, says at page 441:

> "It is to be hoped that the Supreme Court, which has not yet had occasion to express itself on this point, will adopt the view taken of the doctrine of 'descriptive properties' in the 'Yale' decision."

148 American Law Reports, 35:

> "The question whether actual competition by transactions concerning the same kind of goods or services is a necessary element of an action for infringement of a trade-mark or trade name or for unfair competition has never been decided by the United States Supreme Court."

This case affords an opportunity for this Court to establish a rule of law on the troublesome question, on which the various circuits are in disagreement, of infringement of a federally registered trade-mark by a colorable imitation used on goods that, while in the same general class, are somewhat different from those covered by the registration sued upon.

6. The Decision of the Court of Appeals Is Injurious to the Good Will Inherent in Trade-Marks.

If the opinion of the Court of Appeals of the Seventh Circuit is permitted to stand, it will grealy diminish, if not destroy, the existing good will in trade-marks, which is "property in a very real sense." In *Old Dearborn Distilling Co.* v. *Seagram Distillers Corp.*, 299 U. S. 183, 194, Mr. Justice Sutherland said:

> "And good will is property in a very real sense, injury to which, like injury to any other species of property, is a proper subject for legislation. Good will is a valuable contributing aid to business—some-

> times the most valuable contributing asset of the producer or distributor of commodities. And distinctive trade-marks, labels and brands, are legitimate aids to the creation or enlargement of such good will."

The above rule of law is quite applicable to the present action, since the goods of the parties to this action, such as condensers, fuses and switches for the ignition system of automobiles are so closely related to condensers, fuses and switches for automobile radios.

Moreover, some of the products are identical, such as screws, lock washers and screw drivers. A FILKO screw driver could be used in applying either PHILCO or FILKO screws and lock washers to a PHILCO radio, and a PHILCO screw driver could be used in applying either PHILCO or FILKO screws and lock washers to FILKO ignition parts.

This decision, if allowed to stand, will encourage the use by others of well-established trade-marks, or simulations thereof, on goods which are related to, but may not be the exact goods covered by the registrations of these marks, and such use will result in real injury to trade-marks by the gradual whittling away of the impact of such marks upon the public mind.

As Mr. Justice Frankfurter said in *Mishawaka Rubber & Woolen Works* v. *Kresge,* 316 U. S. 203, it will enable others to poach upon the commercial magnetism of trade-marks.

The decision below, if allowed to stand, will result in misappropriation as well as misrepresentation by poachers in the use of established trade-marks. Misappropriation is unfair competition, as held by this Court in *Schechter* v. *U. S.,* 295 U. S. 495 (1935). Mr. Chief Justice Hughes said at page 531:

> " 'Unfair competition' as known to the common law is a limited concept. Primarily, and strictly, it re-

lates to the palming off of one's goods as those of a rival trader. * * * In recent years its scope has been extended. It has been held to apply to misappropriation as well as misrepresentation, to the selling of another's goods as one's own—to misappropriation of what equitably belongs to a competitor."

Conclusion.

If this decision of the Court of Appeals is to be the law of the Seventh Circuit, then the Seventh Circuit will become a happy hunting ground for trade-mark poachers, and business and the public will suffer.

The decision of the Court of Appeals is out of harmony with the evolution and development of the law for the prevention of trade-mark infringement and unfair competition, and instead of being a step forward is a definite retrogression.

We urgently request that this Court grant a writ of certiorari to the Court of Appeals for the Seventh Circuit, as prayed in the foregoing petition.

Respectfully submitted,

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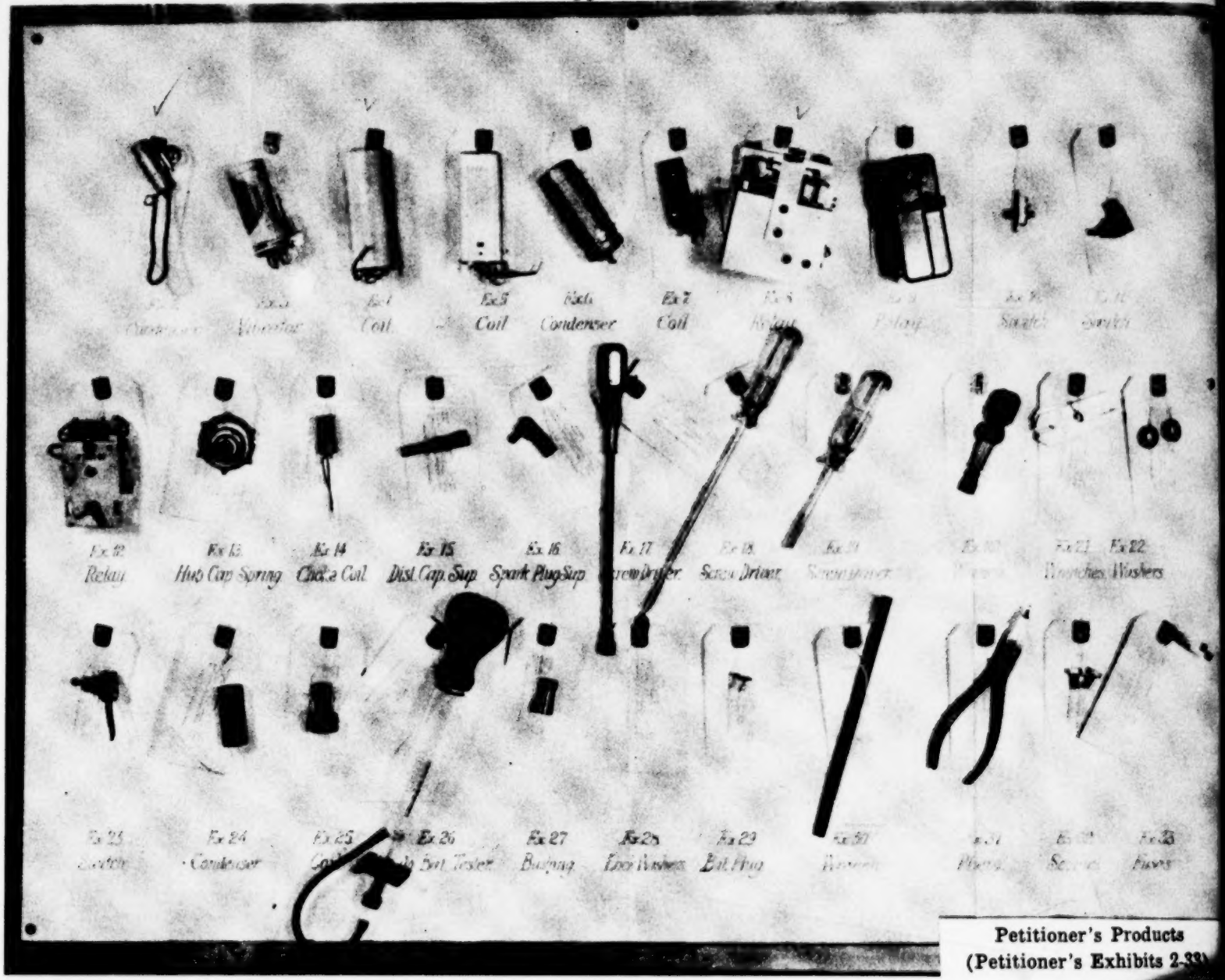
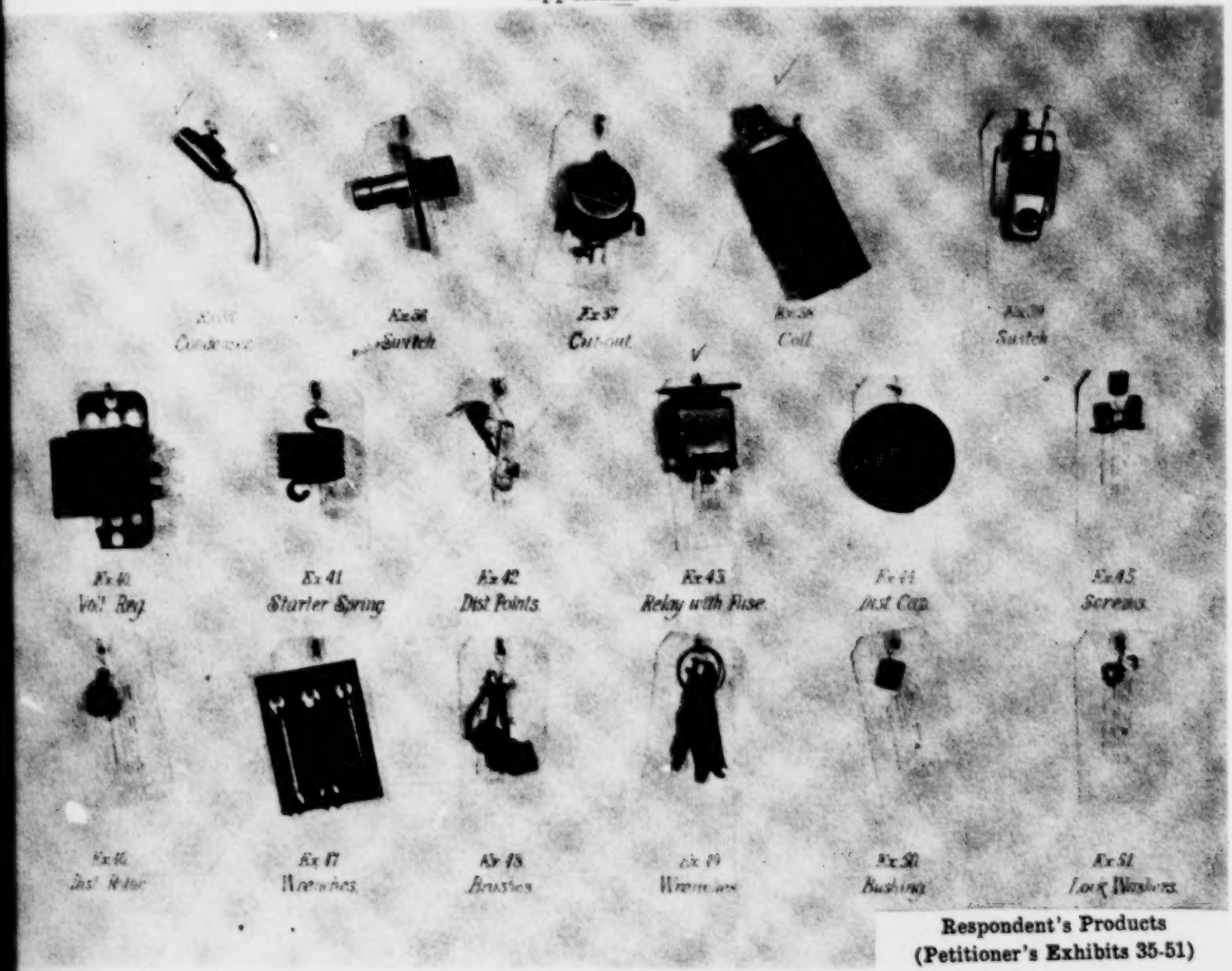
Appendix "A"



Petitioner's Products
(Petitioner's Exhibits 2-33)

Appendix "B"



Respondent's Products
(Petitioner's Exhibits 35-51)

APPENDIX C.

IN THE UNITED STATES COURT OF APPEALS

For the Seventh Circuit.

No. 9474. October Term and Session, 1948.

Philco Corporation,
Plaintiff-Appellant,
vs.
F. & B. Mfg. Co.,
Defendant-Appellee.

Appeal from the United States District Court for the Northern District of Illinois, Eastern Division.

December 3, 1948.

Before KERNER and SPARKS, *JJ.*, and LINDLEY, *DJ.*

Lindley, *DJ.* Its suit for infringement of trade-mark having resulted in judgment for defendant, plaintiff appeals.

In its complaint, plaintiff averred that defendant is engaged in distribution of automotive ignition parts, including condensors, relays, switches, starter repair parts, coils and distributors under the brand name "FILKO"; that this name is a colorable imitation of plaintiff's registered trade name "PHILCO"; that defendant's merchandise is of substantially the same descriptive properties as plaintiff's products as described in plaintiff's several trade-mark registrations, and that the continued use of the name

"FILKO" is likely to result in such confusion as to cause defendant's goods to be passed as those of plaintiff.

Defendant answered that John Filko, an executive officer of defendant, entered business as a tool and die-maker for himself in 1923, in Chicago, and shortly thereafter, with one Bohm, engaged in the manufacture of automotive ignition replacement parts; that the partnership continued for 2½ years under the trade name of F. & B. Mfg. Co.; that from 1926 to 1937, Filko was sole owner of and conducted the business under the same trade name; that in 1937 he formed a new partnership under the same name with one Rapp, which persisted until June 1946, when the defendant corporation F. & B. Mfg. Co. was formed; that, while he was in business alone doing business as F. & B. Mfg. Co., Filko adopted and applied his name to the automotive ignition replacement parts which he manufactured and has since successfully continued the business; that, during all of said time, the repair parts were known as Filko parts; that neither he nor the company has dealt in any other character of product except some metal-stamping; that plaintiff's trade-mark "PHILCO" has been used in connection with radios and their appliances and never in connection with replacement ignition parts.

The Trade-Mark Act of 1946, Title 15, Section 1051 U. S. C. A. is determinative of the rights of plaintiff. As announced by this court in *California Fruit Growers Exchange* v. *Sunkist Baking Co.*, 166 F. 2d 971, the Act of 1905 was repealed by the Act of 1946. Under the earlier act, a remedy was granted to the owner of a trade-mark when any person colorably imitated his mark "in connection with the sale of merchandise of substantially the same descriptive properties as those set forth in such registration." The present act provides that a cause of action for infringement exists if the colorable imitation "is likely to cause confusion or mistake or to deceive purchasers as

to the source of origin of such goods * * *." The Supreme Court has held that in the case of marks susceptible of legitimate uses with respect to their primary sense, the reproduction, copy or imitation which constitutes infringement must be such as is calculated to mislead the public with respect to the origin or ownership of the goods and thus to invade the right of the registrant to the use of the name or term as a designation of his merchandise. *Thaddeus Davids Co.* v. *Davids,* 233 U. S. 461. In other words, it was incumbent upon plaintiff to prove that defendant has made a colorable imitation of its registered trade-mark, which is likely to cause confusion as to the source of origin of the goods. In making out this proof, whether the goods are of similar character is not, under the present act, the determining factor, but presence or lack of such similarity is a circumstance pertinent to the issue of whether there exists imitation which is likely to cause confusion as to the source of origin. With that standard in mind we approach the issue presented.

The court found that Filko is the surname of one of defendant's officials; that defendant has never dealt in any goods such as those manufactured by plaintiff or mentioned in the "PHILCO" registrations; that defendant does not sell to the same class of persons as those to whom plaintiff sells but distributes its automotive ignition repair parts directly to wholesalers, jobbers, and service stations or garages, while plaintiff, through its distributors, sells radios and radio parts to the consumer; that plaintiff advertises in publications reaching consumers while defendant advertises only in trade journals addressed to the automotive industry; that plaintiff and defendant are not in competition; that FILKO is not a colorable imitation of PHILCO, and that no confusion exists or is likely to exist.

These are findings of fact based upon evidence produced before the trial court, in part controversial in character.

Several witnesses appeared; of their credibility the court had full opportunity to judge as they testified in open court. In such a situation we are not at liberty to disturb the findings of fact unless we can say as a matter of law that the court's interpretation of the evidence is clearly erroneous.

We think there can be no dispute that in general the goods of plaintiff and those of defendant are not in competition. The evidence clearly supports the finding that defendant is a manufacturer of automotive ignition repair parts sold to jobbers and dealers for replacement of defective parts in automobile ignition systems, not intended to and not offered as having any utility in the installation of radios or other equipment manufactured by plaintiff or the products mentioned in the trade-mark registrations. So far as the facts of this cause are concerned, such of plaintiff's products as are used in automobiles are usually sold in connection with radios installed in automobiles and have nothing to do with and are not intended to be used in repair of defective ignition parts of the motive power unit of the car. The latter parts, defendants' products, include stationary and movable electrical parts in the automobile ignition system serving to carry a current of electricity, so operating as to cause and control ignition of the gas in the motor, thus producing the explosions necessary to operation of an internal combustion engine. Furthermore, defendant's products are intended and utilized for replacement only and, inasmuch as different manufacturers of different makes of automobiles employ different kinds of ignition systems, the manufacture of necessary repair parts covers a wide field in order to embrace not only different automobile manufacturers, but, frequently also, different models of each manufacturer. Defendant makes no devices for initial equipment or installation. It contributes nothing to the original make-up of the ignition

system. It produces only parts designed to repair worn out or defective parts of an already installed ignition system. While it is entirely probable that some of defendant's articles might be used in an electrical hook-up with some of plaintiff's parts manufactured for use in radio attachments, there is no testimony that they were ever so actually used or that it is practical so to use them or that there is any likelihood that they will ever be so used.

Plaintiff's goods are sold widely to the general public. Its advertising is by radio or popular magazine and newspaper advertising. Defendant's products are sold to men in industry who desire repair parts for ignition plants in automobiles, and it advertises in trade journals to reach jobbers, garages and service stations. Defendant's parts are not sold as substitutes for parts in plaintiff's products. The packages of the two parties do not look alike. There is no resemblance between them, either upon a casual observation or upon a more careful scrutiny,—one is green, the other, blue. We think this and other evidence, which we think it unnecessary to reiterate, furnishes ample ground for the court's finding and conclusion to the effect that plaintiff and defendant were not in competition but were appealing to different groups of the public and reaching entirely different markets, with no reasonable likelihood of confusion. A distinctive mark or name will be broadly protected as a trade-mark, but general words or names, which have been applied to and used and registered as trade-marks for a large number and variety of products, will be protected only within the range of use on similar goods. *Peaso* v. *Scott County Milling Co.*, D. C. Mo., 5 F. 2d 524. The mere fact that one person has adopted and used a trade-mark on his goods does not prevent the adoption and use of the same or a similar trade-mark by others on articles of a different description.

Walgreen Drug Stores v. *Obear-Nester Glass Co.*, 113 F. 2d 956 (C. C. A. 8), certiorari denied 61 S. Ct. 174, 311 U. S. 708, 85 L. Ed. 459, rehearing denied 61 S. Ct. 391, 311 U. S. 730, 85 L. Ed. 475. See, also, *Certain-Teed Products Corporation* v. *Philadelphia & Suburban Mortgage Guarantee Co.*, 49 F. 2d 114 (C. C. A. Pa. 1931). Thus a food products trade-mark is not infringed by its use by manufacturer of tobacco, a narcotic. *Beech-Nut Packing Co.* v. *P. Lorillard Co.*, 7 F. 2d 267 (C. C. A. 3), affirmed 273 U. S. 629. Where a trade-mark was registered for "chemicals, medicines and pharmaceutical preparations" relief was denied against its use on cigars. *Peninsular Chemical Co.* v. *Levinson*, 247 F. 658. See also *Gotham Silk Hosiery Co.* v. *Narrow Fabric Co.*, 102 F. 2d 407; *Nieman* v. *Plough Chemical Co.*, 22 F. 2d 73 (C. C. A. 6, 1927), certiorari denied 277 U. S. 603.

In a few isolated instances, upon which plaintiff relies to prove likelihood of confusion, persons were employed by plaintiff to approach certain dealers and ask for "PHILCO" ignition parts for a certain model of a De Soto automobile. There are no Philco parts for repairs of ignition systems. The dealers, obviously knowing that such parts were made, not by Philco, but by Filko, properly served the purchaser by supplying him with the proper repair parts for the ignition set-up of a De Soto automobile of the model inquired about. This is far short of proof of attempt to sell Filko ignition repairs in place of something which Philco manufactured. The evidence in this respect is far from convincing and certainly insufficient to substantiate a decision upon our part that the court's finding of fact in this respect was clearly erroneous. Indeed, we think the evidence amply supports the finding that there is no likelihood of confusion as to the source of

origin. See *Gold Dust Corporation* v. *Hoffenberg,* 87 F. 2d 451 (C. C. A. 2); *Gotham Silk Hosiery Co.* v. *Narrow Fabric Co.,* 102 F. 2d 407; *Nieman* v. *Plough Chemical Co.,* 22 F. 2d 73 (C. C. A. 6); *Thomas Kerfeet and Co.* v. *Louis K. Liggett Co.,* 67 F. 2d 214 (C. C. A. 1); *Rytex Co.* v. *Ryan, et al.,* 126 F. 2d 952 (C. C. A. 7).

Plaintiff asserts that the court should have found that defendant was seeking to justify its action by an unauthorized use of the family name Filko. We think it clear from what we have said that there was no colorable imitation in marking any merchandise likely to cause confusion as to the source of origin. It should be observed in this connection that the use of one's name in his business is proper unless it is so used as fraudulently to cause likely injury to his competitor. Thus the Supreme Court said, in *Brown Chemical Co.* v. *Meyer,* 159 U. S. 540, 544: "A man's name is his own property and he has the same right to its use and enjoyment as he has to that of any other species of property. If such use by a reasonable, honest, and fair exercise of such right, he is no more liable for the incidental damage he may do a rival in trade than he would be for injury to his neighbor's property by the smoke issuing from his chimney, or for the fall of his neighbor's house by reason of necessary excavations upon his own land. These and similar instances are cases of *damnum absque injuria.*" To similar effect is *Singer Mfg. Co.* v. *June Mfg. Co.,* 163 U. S. 169, 187.

For many years last past, Filko has employed his name as designating the name of his ignition repair parts; the record is devoid of evidence of any application of that name by defendant to any goods such as those manufactured by plaintiff. Thus, as we have said, the court's finding that the parties are not in competition is supported

by adequate evidence. Defendant's activities have been confined to a field entirely isolated from that occupied by plaintiff. Being in two entirely different fields of activity, there can be no confusion of source of origin.

The judgment is affirmed.

A true Copy:
Teste:

Clerk of the United States Court of Appeals for the Seventh Circuit.